

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE**

In re:)
) **Case Number: 3:19-bk-1971**
 CAPSTONE PEDIATRICS, PLLC,) **Chapter 11**
) **Judge Randal S. Mashburn**
Debtor.)

THE DEADLINE FOR FILING A TIMELY RESPONSE IS: November 29, 2019.
IF A RESPONSE IS TIMELY FILED, THE HEARING WILL BE: Tuesday, December 17, 2019 at
9:00 a.m., Courtroom One, Second Floor, Customs House, 701 Broadway, Nashville, TN, 37203

**NOTICE OF FIRST APPLICATION FOR ALLOWANCE OF COMPENSATION AND
REIMBURSEMENT OF EXPENSES BY BURR & FORMAN LLP**

BURR & FORMAN LLP (“Burr”) seeks Court approval of its First Fee Application as counsel for the Debtor in this Chapter 11 case, a copy of which is attached hereto.

YOUR RIGHTS MAY BE AFFECTED. If you do not want the Court to grant the attached Application by entering the proposed order, or if you want the Court to consider your views on the Application, then on or before November 29, 2019, you or your attorney must:

1. File with the Court your response or objection explaining your position. PLEASE NOTE: THE BANKRUPTCY COURT FOR THE MIDDLE DISTRICT OF TENNESSEE REQUIRES ELECTRONIC FILING. ANY RESPONSE OR OBJECTION YOU WISH TO FILE MUST BE SUBMITTED ELECTRONICALLY. TO FILE ELECTRONICALLY, YOU OR YOUR ATTORNEY MUST GO TO THE COURT WEBSITE AND FOLLOW THE INSTRUCTIONS AT: <<https://ecf.tnmb.uscourts.gov>>.

If you need assistance with Electronic Filing you may call the Bankruptcy Court at (615) 736-5584. You may also visit the Bankruptcy Court in person at: 701 Broadway, 1st Floor, Nashville, TN (Monday – Friday, 8:00 a.m. – 4:00 p.m.).

2. Your response must state that the deadline for filing a response is November 29, 2019, the date of the scheduled hearing is December 17, 2019, and the Application to which you are responding is the *First Application for Allowance of Compensation and Reimbursement of Expenses by Burr & Forman LLP*.
3. If a response is filed before the deadline stated above, the hearing will be held at the time and place indicated above. ***THERE WILL BE NO FURTHER NOTICE OF THE HEARING DATE.*** You may check whether a timely response has been filed viewing the case on the Court’s web site at <www.tnmb.uscourts.gov>.

If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought in the motion and may enter an order granting that relief.

Date: November 7, 2019.

Respectfully submitted,

/s/ David W. Houston, IV

David W. Houston, IV (BPR #20802)

Emily C. Taube (BPR #019323)

BURR & FORMAN LLP

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Counsel for the Debtor

In re:)	
)	Case Number: 3:19-bk-1971
CAPSTONE PEDIATRICS, PLLC,)	Chapter 11
)	Judge Randal S. Mashburn
Debtor.)	

Regan Loper	2015	.70	\$290.00	\$290.00	\$203.00
Nicole Keefe	2018	2.40	\$295.00	\$295.00	\$708.00
Melanie Mayes, Paralegal	N/A	86.00	\$225.00	\$225.00	\$18,360.00
Michael Ivey, Paralegal	N/A	26.30	\$230.00	\$230.00	\$6,049.00
TOTALS:		505.60			\$196,092.50

BACKGROUND

1. The Debtor commenced this Chapter 11 case by a voluntary petition filed on March 28, 2019.

2. Burr was approved as bankruptcy counsel by Order entered May 24, 2019 (Docket No. 117).

3. This is the first application for fees and expenses incurred by Burr as bankruptcy counsel in this case.

TIME PERIOD COVERED

4. This Application covers a period of six months (6) months, from *March 28, 2019 through September 30, 2019*. During the Application Period, Applicant spent a total of **505.60** hours in its representation of the Debtor. Based upon Applicant's ordinary hourly rates in effect at the time said services were rendered, Applicant's total fees are **\$196,092.50**.

SERVICES RENDERED

5. The services for which compensation is requested were rendered on behalf of the Debtor and compensation is sought pursuant to 11 U.S.C. §§ 330(a), 331 and 503(a) and (b), and Fed. R. Bankr. P. 2016(a). All services rendered were in connection with the Debtor's duties as a debtor-in-possession. The major activities of the Applicant on behalf of the Debtor, as detailed in **Exhibit A**, are summarized in the Itemization of Fees herein below.

NO COMPENSATION SHARING

6. Applicant has not made any arrangements to share any compensation received by order of this Court with any party whatsoever, nor does Applicant have any arrangements for sharing of any compensation hereinafter awarded, except as between partners and employees of Applicant's firm.

ITEMIZATION OF COSTS

7. All expenses for which reimbursement is sought were incurred by Applicant for actual and necessary costs in rendering such service. In addition to the foregoing fees, Applicant incurred out-of-pocket expenses for which Applicant is seeking reimbursement in the total amount of **\$2,385.94**. The summary of requested expenses is:

(a)	Filing Fees	\$1775.64
(b)	Overnight Mail	\$190.65
(c)	Pacer Research	\$24.80
(d)	Photocopies	\$.40
(e)	Postage	\$321.45
(f)	Travel/parking	\$73.00
TOTAL:		\$2,385.94

All expenses were actual and necessary expenses incurred in providing the legal services described herein and are reimbursable pursuant to §331.

ITEMIZATION OF FEES

8. A copy of the invoice detail, which itemizes the time spent and expenses paid, is attached hereto as **Exhibit A**.

9. The services have been put in the following categories:

- a. CASE ADMINISTRATION (B110): in the amount of **\$48,929.50**, including coordination and compliance activities, including preparation of statement of financial affairs; schedules; list of contracts; United States Trustee interim statements; contacts with the United States Trustee; general creditor inquiries.
- b. ASSET DISPOSITION/SALES (B130): in the amount of **\$44,723.00**, including sales, leases, abandonment and related transaction work.
- c. MEETINGS WITH CREDITORS (B150): in the amount of **\$2,435.00**, including preparation for and representation of the Debtor during the Code § 341 Meeting of Creditors in this case, and follow-up meetings with the Debtor and with key creditors thereafter to address issues raised during and after the § 341 Meeting.
- d. EMPLOYMENT AND FEE APPLICATIONS (B160): in the amount of **\$9,935.50**, including examination of potential conflicts, preparation of employment and fee applications for Burr or others.
- e. ASSUMPTION/REJECTION OF LEASES AND CONTRACTS (B185): in the amount of **\$7,443.50**, including analysis of leases and executory contracts and preparation of motions specifically to assume or reject, responding to motions to compel and negotiations with nondebtor lease/contract parties.
- f. OTHER CONTESTED MATTERS (B190): in the amount of **\$44,303.50**, including the analysis and preparation of all other motions, opposition to motions and reply memoranda in support of motions which specifically relate to the PracticeSuite contract issue and stay relief filings by other parties.
- g. BUSINESS OPERATIONS (B210): in the amount of **\$29,570.00**, including issues related to debtor-in-possession operating in Chapter 11 such as employee, vendor, and

other similar problems, review of monthly financial statements and preparation of monthly operating reports.

- h. CASE FINANCING (B230): in the amount of **\$6,777.50**, including obtaining court approval of Cash Collateral / DIP Financing and the entry of a final order approving such financing.
- i. CLAIMS ADMINISTRATION AND OBJECTIONS (B310): in the amount of **\$1,975.00**, including specific claim inquiries; bar date motions; analyses, objections and allowances of claims.

10. The fee for professional services rendered in this matter from March 28, 2019 through September 30, 2019 is **\$196,092.50**. The Applicant believes that all fees are reasonable and necessary. In accordance with 11 U.S.C. § 330, this amount was calculated using the standard hourly rate for the attorneys involved. The results obtained by Applicant within the time frame of this Application demonstrate that Applicant (a) used the skills required to perform the legal services properly, (b) provided services necessary to the administration of the case, and (c) performed the services within a reasonable amount of time commensurate with the complexity, importance and nature of each task.

11. Based upon the results obtained by Applicant within the time frame of this Application and the rates charged by Applicant for the services performed, the compensation requested is reasonable based on the customary compensation charged by comparably skilled practitioners in non-bankruptcy cases.

12. Applicant has not previously submitted an Application.

13. The Debtor's CEO and the court appointed Chief Restructuring Officer (the "CRO") have had an opportunity to review the Application. The CRO has approved the requested amount herein.

14. Burr has a retainer in the amount of \$154,262.90 which it will apply to the fees and expenses described in this interim application upon approval by the Court.

15. In accordance with an agreement previously reached with the office of the United States Trustee with respect to the Order approving the employment of Applicant, any fees awarded pursuant to this application shall be reduced by \$4,850.00,

WHEREFORE, Burr seeks allowance and payment of all fees incurred by Burr during this period in the aggregate amount of **\$191,242.50** and expenses in the amount of **\$2,385.94** as an administrative expense of this Chapter 11 case.

Date: November 7, 2019.

Respectfully submitted,

/s/ David W. Houston, IV
David W. Houston, IV (BPR #20802)
Emily C. Taube (BPR #019323)
BURR & FORMAN LLP

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Counsel for the Debtor

CERTIFICATE OF SERVICE

I hereby certify that on the 7th day of November 2019, a true and exact copy of the foregoing document was filed electronically. Notice of this filing was sent by operation of the Court's electronic filing system to all parties indicated on the electronic filing receipt. Notice was also sent pursuant to Local Rule 2016-1 via U.S. Mail, postage prepaid to (1) Counsel for the US TRUSTEE; (2) all secured claim holders; (3) 10 largest unsecured creditors; and (4) all parties who have filed a written request for notices as listed below. Parties may also access this filing through the Court's electronic filing system.

NATALIE M. COX
US DEPT OF JUSTICE
OFFICE OF THE US TRUSTEE
701 BROADWAY, STE 318
NASHVILLE, TN 37203
615-736-2259
Fax : 615-736-2260
Email: natalie.cox@usdoj.gov

SECURED CLAIM HOLDERS:

CDS Business Services, Inc.
1981 Marcus Ave., Suite 130
Lake Success, NY 11042

Newtek Small Business Finance
PO Box 297
Laurel, NY 11948

Internal Revenue Service
PO Box 7346
Philadelphia, PA 19101-7346

10 LARGEST UNSECURED CREDITORS:

Eddie Hamilton
4822 Post Rd
Nashville, TN 37205

VIII FS-Nashville, PLLC
c/o CTCRES as Agent
4678 World Parkway Circle
St. Louis, MO 63134

McKesson Medical Surgical
PO Box 634404
Cincinnati, OH 45263-4404

Merck Sharp & Dohme, Corp.
PO Box 5254
Carol Stream, IL 60197-5254

AthenaHealth
311 Arsenal St.
Watertown, MA 02472

Sanofi Pasteur, Inc.
12458 Collections Center Dr.
Chicago, IL 60693

Nextgen Healthcare Information Sys.
c/o Quality Systems, Inc.
PO Box 809390
Chicago, IL 60680

CAM Realty Co/Realty Group North
109 Montgomery Ave. Ste. 102
Scarsdale, NY 10583

NovaGen
10245 West Little York Rd., Ste. 400
Houston, TX 77040

McCurry Construction, LLC
2207 Saint Joseph's Court
Brentwood, TN 37027

PARTIES REQUESTING NOTICE:

SL Airpark II, LLC and SL Airpark, LLC
c/o Michael Abelow
Sherrard Roe Voigt & Harbison, PLC
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Four Plus Corporation
c/o Ryan Cochran
Waller Lansden Dortch & Davis, LLP
511 Union St., 27th Floor
Nashville, TN 37219

Newtek Small Business Finance, LLC
CDS Business Services, Inc. d/b/a Newtek
Business Credit
c/o Daniel Puryear
Puryeal Law Group
104 Woodmont Blvd., Suite 201
Nashville, TN 37201

ARHC GMCLKTN01, LLC
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Bone McAllester Norton PLLC
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TN Dept. of Revenue
c/o Matthew Gaske
Tennessee Atty. General & Reporter
PO Box 20207
Nashville, TN 37202

A-Z Office Resource, Inc.
c/o Dalton Mounger
PO Box 1468
Columbia, TN 38402-1468

SNH Medical Office Properties Trust
c/o Milton McGee & Gregory Reynolds
Riley Warnock & Jacobson
1906 West End Ave.
Nashville, TN 37203

/s/ David W. Houston, IV
David W. Houston, IV (BPR #20802)